

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED)	
GAS ADJUSTMENT FILING OF)	CASE NO. 8735-N
B & H GAS COMPANY, INC.)	

O R D E R

On May 31, 1983, the Commission issued its Order in Case No. 8735 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On September 3, 1991, B & H Gas Company, Inc. ("B & H") filed its quarterly gas cost adjustment ("GCA"), which is to become effective October 1, 1991 and is to remain in effect until January 1, 1992.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. B & H's notice of September 3, 1991 set out certain revisions in rates which B & H proposed to place into effect, said rates being designed to pass on to its customers its wholesale gas cost from its suppliers. B & H's expected gas cost ("EGC") for the quarter beginning October 1, 1991 is \$3.7629 per Mcf.
2. B & H's notice set out no refund adjustment.

3. B & H's notice included no actual adjustment ("AA"). The previous quarter AA of 60.05 cents per Mcf should be included in its current filing, however. B & H has no current quarter AA.

4. B & H's notice set out no balance adjustment. This adjustment will be unavailable to B & H until the approved actual adjustment has been in effect for 4 quarters.

5. The combined effect of the above adjustments is B & H's gas cost recovery rate ("GCR") in the amount of \$4.3634 per Mcf, which is an increase of .02 cents per Mcf from its last approved rates.

6. B & H's corrected adjustment in rates, set out in the Appendix to this Order, pursuant to the GCA provisions approved by the Commission in its Order in Case No. 8735 dated May 31, 1983, is fair, just, and reasonable, in the public interest, and should be effective with service rendered on and after October 1, 1991.

IT IS THEREFORE ORDERED that:

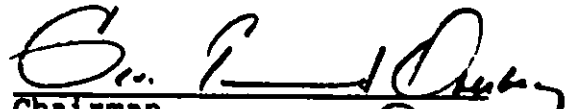
1. The rates proposed by B & H are hereby denied.


2. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with service rendered on and after October 1, 1991.

3. Within 30 days of the date of this Order, B & H shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 30th day of September, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 8735-N DATED 9/30/91

The following rates and charges are prescribed for the customers served by B & H Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

RATES:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 2 Mcf	\$3.0961	\$8.7268	\$11.8229
Next 8 Mcf	1.1960	4.3634	5.5594
Next 20 Mcf	.9042	4.3634	5.2676
Over 30 Mcf	.7110	4.3634	5.0744

A surcharge in the amount of 3 cents per Mcf shall be added to the above rates until the obligation owed Kentucky West Virginia Gas Company has been discharged or is recalculated.